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The President's Daily Brief

23 March 1973

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~~*Top Secret*~~ 25X1

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THE PRESIDENT'S DAILY BRIEF

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PRINCIPAL DEVELOPMENTS

The Communists are adding to their air defense capability in South Vietnam. *(Page 1)*

In Laos, the two sides have postponed formation of a new coalition government beyond the deadline set by last month's peace agreement. *(Page 2)*

The Cambodian Government's crackdown raises disturbing questions about Phnom Penh's already fragile political stability. *(Page 3)*

A Soviet Foreign Ministry official has acknowledged that the USSR will no longer enforce its education tax on emigrants, and that the Soviet move is in response to pressures from the US Congress. *(Page 4)*

The Security Council meeting did not achieve the reaction from the US or within Panama that General Torrijos had expected. *(Page 5)*

In Turkey, the proposed constitutional amendment to extend the term of incumbent President Sunay failed to secure the required two-thirds majority. *(Page 6)*

Two Adeni MIG-17s yesterday attacked a Saudi Arabian post located about 20 miles north of the border. *(Page 6)*

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India [redacted]

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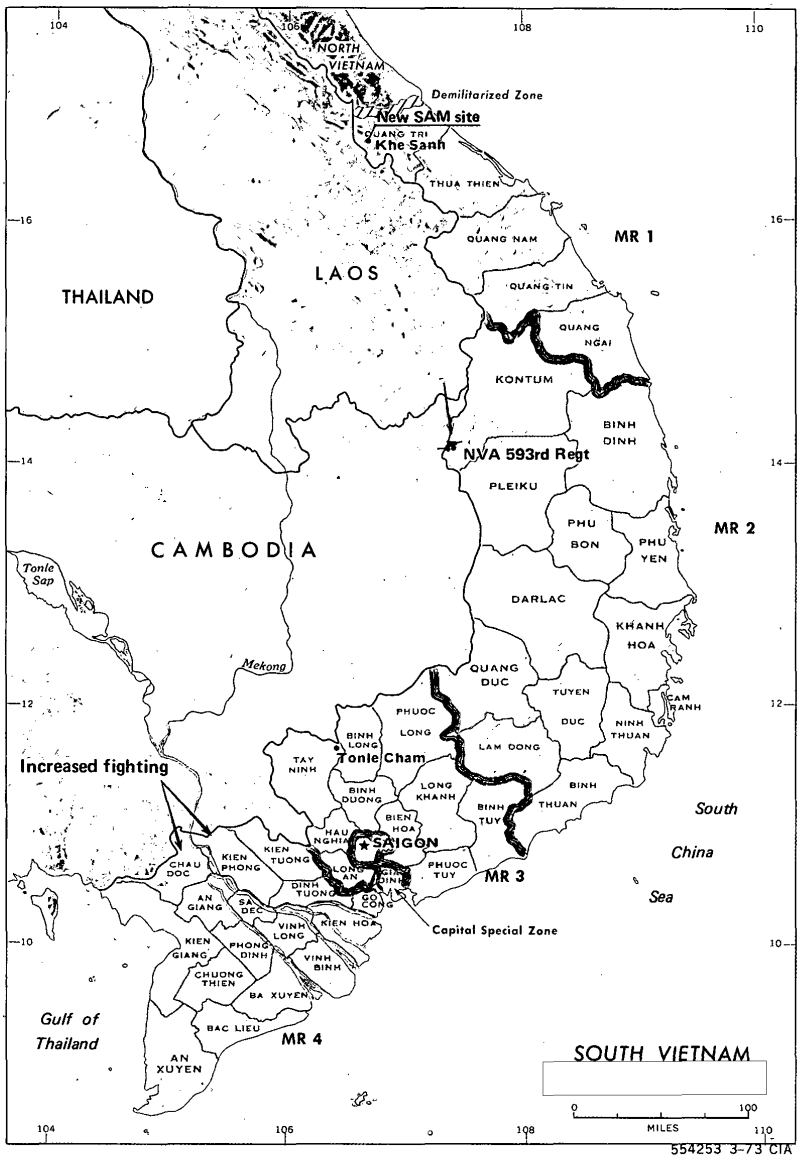

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SOUTH VIETNAM

The Communists are adding to their air defense capability in the south.

[redacted] 25X1

[redacted] 25X1

[redacted] 25X1

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In Quang Tri Province, [redacted] photography [redacted] further substantiates the presence of a new, occupied SA-2 site southeast of Khe Sanh. At least two launchers, complete with SA-2 missiles along with radar, electronic, and other support equipment are visible. 25X1 25X1

The Communist unit occupying the site is probably one of the three SAM battalions that formerly manned nearby sites which are now unoccupied.

* * *

In ground fighting, Communist pressure against the ranger camp at Tonle Cham has eased. North Vietnamese shellings have fallen off, and no major new infantry action has been reported since the attacks of March 20. There has been some increase in the fighting in the western delta provinces, most of it resulting from efforts of several North Vietnamese units to move across the border into South Vietnam. Government sources in the delta believe the Communists are determined to control key sectors along the border in order to expand their infiltration routes into the lower delta.

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LAOS

The two sides have postponed formation of a new coalition government beyond the deadline of March 23 set by last month's peace agreement.

The absence of chief Pathet Lao negotiator Phoumi Vongvichit has been the major obstacle to progress.

Other senior Communist negotiators left Vientiane yesterday for strategy sessions at their headquarters near Sam Neua, and those remaining behind are not empowered to discuss composition of a new government.

Despite the lapsed deadline, the agreement signed last month remains in effect and there is no sign that either side is preparing to resume combat.

One effect of the delay is to set back the timetable for withdrawal of foreign troops and release of prisoners. Under terms of the Lao peace agreement, both are to be completed within 60 days of formation of a new coalition government. The Pathet Lao position is that the release of US prisoners will be governed by the Lao accords.

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CAMBODIA

Republican Party chief Sirik Matak apparently is still confined to his home in Phnom Penh although the number of troops guarding him has been substantially reduced.

There are no signs yet that the regime's crackdown has generated any sharp reaction in the military although some army officers are genuinely concerned about the over-all situation in Cambodia. Army Chief of Staff General Fernandez has privately expressed some doubts about the country's future, but he has been advising his subordinates to relax and await further developments.

The situation raises disturbing questions about Phnom Penh's already fragile political stability. The succession question, which would have been resolved by Matak's installation as vice-president, is now more than ever a major problem. [redacted] 25X1 25X1

[redacted] 25X1

With Brigadier General Lon Non's influence over his brother at an all-time high, further moves against other prominent officials on his black list cannot be ruled out.

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USSR-US

A Soviet Foreign Ministry official acknowledged yesterday that the USSR will no longer enforce its education tax on emigrants, and that the Soviet move is in response to pressures from the US Congress. At about the same time, Western newsmen in Moscow were invited to watch Soviet authorities grant exit permits, and the Soviets even offered film clips of the event to some of the newsmen involved.

These actions are most likely in response to statements of US concern made by Secretary Shultz in Moscow last week. Moscow seems to be following the formula laid down by Senator Jackson, who has stated that he does not expect the Soviets to rescind their law, but that he will withhold his support of MFN legislation until satisfied that Moscow is not enforcing the education tax.

By leaving their tax on the books, however, the Soviets have kept open the possibility of returning to restrictive practices after MFN legislation is passed. The Soviets know that their behavior will be carefully monitored, and for the short term, they will be likely to continue allowing exemptions to the tax.

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PANAMA

The Security Council meeting did not achieve the reaction from the US or within Panama that General Torrijos had expected. Although he is publicly touting the international support that he received, he probably is concerned about how much damage he has done to his relations with Washington.

Over the next few days, Torrijos will move cautiously as he tries to sound out the US and plots his next move. He gave himself some breathing space yesterday when he announced that because the US vetoed the Panamanian resolution he would hold "consultations with the people" before deciding on his next step. This probably means that he will talk with members of the rubber-stamp national legislature, a process which will take time and also give him an opportunity to stir up the public.

Torrijos will continue his strategy of keeping pressure on the US. The government-directed media will resume its attacks on Washington, and anti-US demonstrations, carefully orchestrated by the government, may be in the offing.

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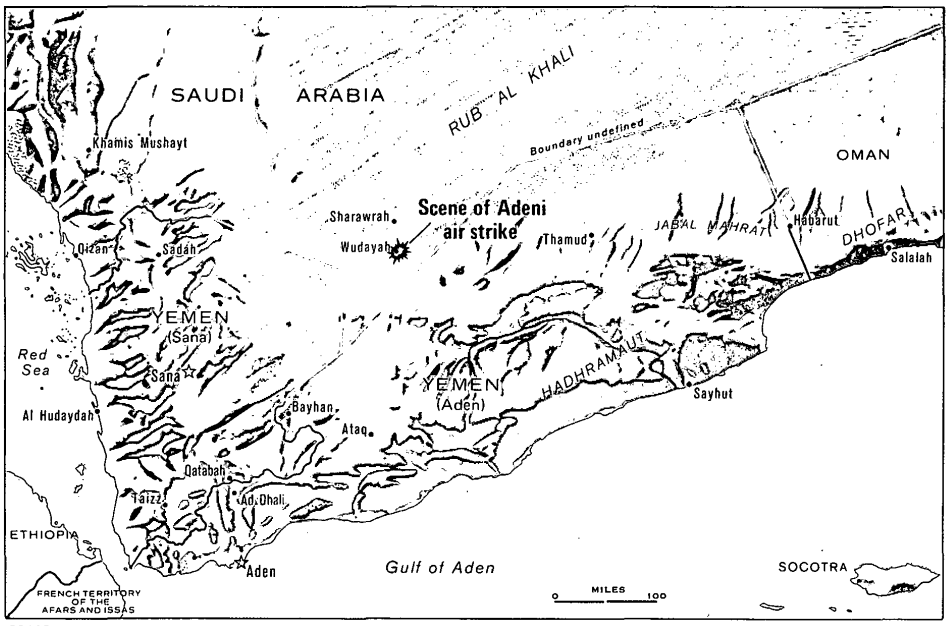

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NOTES

Turkey: The proposed constitutional amendment to extend the term of incumbent President Cevdet Sunay for two years failed by one vote to secure the required two-thirds majority yesterday. A joint session of parliament has been called for today, but it is not clear what steps will be taken to resolve the impasse that has dragged on now for ten days.

Yemen (Aden) - Saudi Arabia: Two Adeni MIG-17s yesterday attacked a Saudi Arabian post at Wudayah, approximately 20 miles north of the border. Saudi Arabia claims that its antiaircraft fire drove off the planes, but the defenders admit to "some" injuries. A base for Adeni dissidents [redacted] 25X1
[redacted] is located just north of Wudayah. These dissidents have been conducting commando raids into Aden's eastern provinces for some months. Saudi Arabia probably will not retaliate for the air attack [redacted] 25X1
25X1
25X1
25X1

India-USSR: [redacted] 25X1
25X1

Yugoslavia: Usually compliant trade union leaders in Yugoslavia have formally protested a government wage freeze and other measures that will reduce the workers' standard of living to below last year's level. The government now must decide whether to lift the freeze or to risk massive popular dissatisfaction.

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East Germany: East Germany is in debt to the industrial West to the tune of approximately $900 million. Last year such medium- and long-term debts increased by $200 million, largely because of political concerns. The regime has put a heavy emphasis on supplying consumer goods to the population in order to ensure political stability as it makes the transition from isolation into the family of nations. At the same time, party chief Honecker enforced a commitment that all export quotas for the Soviets would be met or surpassed. As a result, this year the East Germans are seeking at least $200 million more in credits from the West, including the US. West Germany and France have given Pankow most of its new credits. Our preliminary estimate indicates that the East German economy is strong enough, and its subsidized trade with West Germany large enough, for Pankow to operate this way for two or three more years before being pinched by repayment problems.

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